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# RETAIL DEMAND

## Mission Bay
## San Francisco

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# RETAIL DEMAND:

## A Retail Analysis for Mission Bay Planning

Prepared for

SAN FRANCISCO DEPARTMENT OF CITY PLANNING

Prepared by:

RECHT HAUSRATH & ASSOCIATES
Urban Economists
1212 Broadway, Suite 1700
Oakland, California 94612

with assistance from:

EDAW inc.
1720 Montgomery Street
San Francisco, California 94111

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Retail demand : a retail
analysis for Mission
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# I. Introduction and Summary

## Introduction

This report is one of about 20 special studies for Mission Bay. "Retail demand" is analyzed for Mission Bay residents and workers and also from the perspective of a larger market area. This paper presents order-of-magnitude estimates of the amounts and types of retail space that could be developed at Mission Bay. The estimates are to be used in the Department of City Planning's Mission Bay master planning effort, to provide direction as to both the amount of space to plan for and how different retail concepts might work given the mix of other uses developed at Mission Bay. The estimates are approximate and should not be interpreted as either the high-end or low-end limits for the amount of retail space that could eventually be developed at Mission Bay.

These estimates are not the results of an in-depth retail marketing study for the Mission Bay site. Retail concepts representing different amounts and configurations of retail space are evaluated in terms of their potential to capture spending from Mission Bay residents and workers, as well as from a larger market area. For some aspects of these concepts, Mission Bay itself can be considered the primary market area (for convenience shopping, for example). For other aspects, a larger market area must be considered. The detailed analysis to define the boundaries of this larger area and to estimate the future potential spending that could be captured in Mission Bay is not part of this study. Therefore, the potential for attracting retail spending from outside the area is dealt with more qualitatively.

All of the Illustrative Plans for Mission Bay presented in the June 1986 report, Choices for Mission Bay (Choices report), envision a new San Francisco neighborhood with a population of both residents and workers. Therefore, the retail analysis focuses on the spending of residents and workers, as they would be the primary support for most Mission Bay

retail. Although this study is not a detailed retail market study for Mission Bay, the potential magnitude of resident and worker retail spending can be gauged using factors for household and worker spending and spending patterns, as well as assumptions about the needs fulfilled by retail facilities in a neighborhood. The magnitude of other potential retail spending in Mission Bay, from nearby residents or workers and from others in a larger market area is more difficult to estimate, as described above. This type of spending is discussed more generally in terms of how it could influence both the amount and type of retail activity occurring in Mission Bay.

The analysis does not refer to any particular time frame for development and occupancy of the various plans. The level of retail activity (as measured by spending and space) is compared among the plans assuming full development and occupancy of each at some point in the future.

Summary

- This paper evaluates four Illustrative Plans for Mission Bay with associated retail concepts. The plans range from one which includes about 10,240 households and about 11,000 workers to another with about 5,080 households and about 31,000 workers. The number of residents and workers as defined by each Illustrative Plan determines the magnitude of total dollars available for retail spending. Some of these expenditures would be made at Mission Bay.

  The Illustrative Plans also include retail concepts for the types of retail facilities and the configuration of retail development. The concepts are differentiated by their orientations, including neighborhood-serving convenience retail; specialty shopping and eating and drinking for residents, workers, and others from outside the area; and larger-scale shopping facilities oriented to a wider market area. These concepts influence the amount of retail spending by residents and workers captured in Mission Bay. The concepts also affect the magnitude of other potential retail spending in Mission Bay from outside the area (e.g. residents or workers in nearby areas or other residents of the City).

- On average, Mission Bay households could be expected to allocate about 32 percent of their incomes to retail expenditures, including eating out, groceries, drugs, housekeeping and personal care, apparel, home furnishings, automotive, and entertainment. Not all of this total would be spent in Mission Bay. Depending on the retail concepts evaluated herein, the share of this total spent in Mission Bay is estimated to range from 19 to 27 percent. This spending represents about six to nine percent of Mission Bay household incomes. For the plans evaluated, the combined retail spending in Mission Bay of all households is estimated to range from $17 million to $48 million per year (1985 dollars).

- The retail spending of workers in Mission Bay is primarily that associated with work-day eating and drinking and some convenience and specialty shopping. The amount and types of retail spending of workers would vary among the retail concepts. For the plans evaluated, the spending in Mission Bay of all workers is estimated to range from $6 million to $27 million per year (1985 dollars).

- For the plans and associated concepts evaluated, total retail spending in Mission Bay from both residents and workers ranges from $44 million to $53 million per year (1985 dollars). This range reflects the fact that the high end of the range for residents' spending is paired with the low end of the range for workers' spending and vice versa.

- Retail spending of this magnitude supports about 200,000 sq. ft. of retail space in Mission Bay. For the four plans and concepts evaluated, the range is from 184,000 sq. ft. to 219,000 sq. ft. Depending on the retail concept, additional retail space could be supported by the spending of others besides Mission Bay residents and workers. For the concepts evaluated, this is estimated to range from 35,000 to 75,000 sq. ft., and perhaps up to 130,000 sq. ft. The uncertainties surrounding the potential for capturing outside spending in Mission Bay make it difficult to be more precise, without a detailed market study. To indicate the approximate nature of these estimates, a range of total retail space supported in each plan is presented in this paper. The narrowest range is 200,000 to 250,000 sq. ft. for the primarily convenience-oriented concept (Illustrative Plan 1). The widest range is 200,000 - 350,000 sq. ft. for the concept most oriented to shoppers goods stores serving a larger market area (Illustrative Plan 5).

- Evaluation of neighborhood-serving convenience retailing considers both a neighborhood center concept (with a supermarket and super-drug) and smaller-scale convenience retail shops along a neighborhood commercial street. Given the large amount of housing planned for the South of Market area (in Rincon Hill, Yerba Buena Gardens, South Beach, and Mission Bay) and the fact that the convenience shopping needs of existing residents (in South of Market and Potrero Hill neighborhoods) are not being fully satisfied nearby, it is likely that a successful neighborhood center could be

developed in Mission Bay or in another location nearby in the future. If developed in Mission Bay, a neighborhood center would capture a large share of the convenience spending of Mission Bay residents. It would also attract shoppers from nearby neighborhoods. In the plan with the highest number of households, Mission Bay residents' spending alone could support a neighborhood center of substantial size. For those plans with fewer households, the scale of the center would depend on its ability to draw from the larger market area. Without such a center, Mission Bay residents would be expected to spend a smaller share of their convenience dollars in Mission Bay. Under this scenario, it is expected that a center would be developed somewhere else nearby to serve the large number of future residents in the vicinity.

The scale of a neighborhood shopping street in Mission Bay would depend on whether or not a neighborhood center were also developed there. Without a neighborhood center, the neighborhood shopping street would be more likely to have more convenience goods stores and perhaps a moderate-sized grocery, depending on the proximity and convenience of the supermarket that could potentially be located in the vicinity in the future. A neighborhood shopping street would also attract shoppers from nearby Potrero Hill and South of Market residential areas, to the extent that it offered a wider variety of convenience goods and services than were supplied in those neighborhoods.

- Specialty shopping and restaurants/bars/cafes could be a component of the Mission Bay neighborhood commercial street concept. Larger amounts of this type of activity, developed with a high level of amenities and an attractive design, could serve as more of a destination to attract the spending of others besides Mission Bay residents. This concept would be more likely to succeed in the plans with more workers and perhaps a hotel. There are some uncertainties regarding the ability of Mission Bay to attract substantial spending from outside the area to achieve this retail concept. Within the downtown, there are several existing and planned retail developments that could compete for the same spending. These include retail facilities in South Beach, Yerba Buena Gardens, Hills Plaza, Embarcadero Center, and potentially the Ferry Building. Given this competition, it is unlikely that the majority of space of this type in Mission Bay would be supported by outside spending.

- The large, free-standing store is also considered for Mission Bay in two of the retail concepts. Such a facility could be a shoppers-goods-type store (e.g., apparel, housewares, home furnishings, building materials, garden supplies, etc.). The major support for this type of retail activity would not be expected to come from the spending of Mission Bay residents and workers. The success of this concept would depend on the ability of the retail tenant to attract spending from a larger market area. To the extent that such a store were developed at Mission Bay, however, residents and workers

would shop there. The amount of this type of space that could be developed at Mission Bay is difficult to estimate. Although Mission Bay would have the advantage of a central location for this type of retail activity, access, visibility, parking, and the cost of space would be key factors determining the ability of Mission Bay to attract a major retail tenant. This would also be somewhat dependent on the extent to which such tenants might prefer to locate in nearby areas, particularly in the area between Mission Bay and Showplace Square and maybe just south of the site.

- A major shopping street (such as Third Street) could include some larger retail stores such as those discussed above, in addition to larger-scale convenience outlets (possibly a supermarket, super-drug, or hardware store), automotive facilities, movie theatres, and restaurants or larger-scale take-out food establishments. As with the concept above, a major shopping street would not depend solely on the spending of Mission Bay workers and residents. The amount of space involved is also difficult to estimate. Such a street would evolve slowly over time, and its success would depend on population and spending potential throughout the southern part of the City surrounding Mission Bay.

## II. Retail Concepts for Mission Bay

For Mission Bay planning purposes, this retail analysis evaluates four different retail concepts. These concepts affect both the propensity of residents and workers to make various types of purchases in Mission Bay, and the degree to which Mission Bay retail development attracts other spending (such as that from nearby residents or workers and visitors). Each retail concept is paired with a different plan for Mission Bay, representing a range of resident and worker populations for the planning area. The plans analyzed are Illustrative Plans 1, 3, 4 and 5 as described in the Choices report. Because of the pairing of retail concepts with plans representing various numbers of residents and workers, the retail analysis not only tests how the different magnitudes of Mission Bay residents and workers in each plan influence overall retail activity in Mission Bay, but also evaluates these magnitudes in conjunction with different types of Mission Bay retail activity.

Table 1 presents summary descriptions of the retail concepts associated with Plans 1, 3, 4, and 5. Maps illustrating each concept are presented in Section IV of the text. The evaluation of each plan in Section IV highlights how consideration of the plan parameters (number of households and number of workers), combined with consideration of the retail concept, produces the estimates of retail spending in Mission Bay and of retail space supported.

## III. Estimates of Retail Spending for Mission Bay Residents and Workers

The amount of retail space supported in a given area is a function of the number of people in the relevant trade area, the dollars they have available for retail spending, the types of goods they purchase and their spending patterns, in terms of locations for shopping or eating out. Using the Choices for Mission Bay Illustrative Plans as a basis for the resident and worker population, estimates of retail spending in Mission Bay from Mission Bay residents and workers have been developed. These estimates depend on assumptions about household income, overall retail spending patterns of households, and the proportion of that spending likely to occur in Mission Bay, as well as on factors for the retail spending of workers. (For this analysis, the household-related spending of residents is separated from worker spending, recognizing that some residents would also work in Mission Bay. For those residents who would work in Mission Bay, their spending associated with the work-day is accounted for as worker spending.)

Table 2 presents the assumptions used in this analysis about the retail spending patterns of Mission Bay households. The assumptions vary for each Illustrative Plan, depending on the retail concept associated with that plan.

First, the proportion of household income allocated to all retail spending is estimated for the various retail expenditure categories.

TABLE 1: RETAIL CONCEPTS FOR MISSION BAY

| | ILLUSTRATIVE PLANS | | | |
|---|---|---|---|---|
| | Plan 1 | Plan 3 | Plan 4 | Plan 5 |
| Retail Concept | • Large-scale convenience retail facilities near train station (including supermarket and superdrug). | • Large scale, free-standing retail facility east of Third St. Possible apparel, housewares/furniture or other general merchandise store. | • Same as Plan 3, but large-scale, free-standing retail facility located near train station, and there is no high-amenity retail adjacent to open space north of Channel. | • Major shopping street along Third St. Stores and restaurants would serve larger market area than Mission Bay. Possible housewares, building materials/garden supply, hardware, automotive, discount retail stores. |
| | • Neighborhood commercial street (e.g. 24th St., Chestnut St.) with mix of convenience, specialty, restaurants/bars, and services, south of the Channel. | • Convenience retail/restaurant for residents south of the Channel and for workers north of the Channel (Mission Bay and South of Market). | | • Neighborhood commercial street with mix of convenience, restaurant/bar, and specialty, south of the Channel. |
| | • Smaller amount of ground floor retail in high-density housing area north of the Channel. Mostly convenience and restaurant/bar, serving residents as well as nearby Mission Bay and South of Market workers. | • Retail along open space crescent south of the Channel. Predominantly smaller restaurants/bars/cafes and specialty shops. Potential visitor destination. | | • Convenience retail/restaurant for residents and for Mission Bay and South of Market workers north of the Channel. |
| | | • Retail adjacent to open space north of Channel. Integrated with office development. High-amenity restaurants/bars/cafes and specialty shops. Potential visitor destination. | | |

NOTE: The retail concept descriptions are provided by EDAW. Maps which illustrate these concepts are included in Section IV of the text.

SOURCE: Recht Hausrath & Associates

TABLE 2: ASSUMPTIONS ABOUT THE RETAIL SPENDING PATTERNS OF MISSION BAY HOUSEHOLDS

| | | ILLUSTRATIVE PLANS | | | | | |
|---|---|---|---|---|---|---|---|
| | | Plan 1 | | Plans 3 and 4 | | Plan 5 | |
| Expenditure Category (1) | Spending as Percent of Household Income (2) | % Spent in Mission Bay (3) | % of Income Spent in Mission Bay | % Spent in Mission Bay (3) | % of Income Spent in Mission Bay | % Spent in Mission Bay (3) | % of Income Spent in Mission Bay |
| | % | % | % | % | % | % | % |
| Food Away from Home | 4.2 | 20 | 0.84 | 30 | 1.26 | 20 | 0.84 |
| Food at Home/Alcoholic Beverages/Tobacco and Smoking Supplies | 8.3 | 60 | 4.98 | 30 | 2.49 | 30 | 2.49 |
| Drugs and Medical Supplies | 0.8 | 50 | 0.40 | 20 | 0.16 | 35 | 0.28 |
| Housekeeping and Personal Care | 1.8 | 60 | 1.08 | 25 | 0.45 | 40 | 0.72 |
| Apparel/Home Furnishings | 6.5 | 5 | 0.325 | 12 | 0.78 | 20 | 1.30 |
| Reading | 0.5 | 40 | 0.20 | 40 | 0.20 | 40 | 0.20 |
| Entertainment | 4.2 | 15 | 0.63 | 20 | 0.84 | 40 | 1.68 |
| Automotive | 5.7 | -- | | -- | | 20 | 1.14 |
| Total, these items | 32.0% | | 8.455% | | 6.18% | | 8.65% |

NOTES: (1) The expenditure categories are defined by the Bureau of Labor Statistics on-going Consumer Expenditure Survey. Selected categories are used in this analysis, combining categories from both the interview and diary expenditure surveys. The categories selected represent the types of retail and convenience service (laundry/dry cleaning, shoe repair, video rental, photo finishing, etc.) activity that Mission Bay households would be expected to support in their immediate residential neighborhood, to some degree depending on the types of retail facilities developed.

(2) Bureau of Labor Statistics. Consumer Expenditure Survey, 1982-83, Urban Consumer Units, Selected Categories, Interview Survey for San Francisco SMSA and Western Region and Diary Survey for Western Region.

(3) RHA estimate, considering differences in retail concepts. This estimate includes only household-related spending. To the extent that residents would also work in Mission Bay, there would be additional retail spending associated with the work-day (primarily eating and drinking and some convenience and specialty shopping). This retail spending is accounted for in the spending patterns of workers. See Table 3.

SOURCE: Recht Hausrath & Associates and Bureau of Labor Statistics, Consumer Expenditure Surveys.

This is shown in the first column of Table 2. The allocation among expenditure categories is based on Bureau of Labor Statistics Consumer Expenditure Survey data for households. The food-away-from-home category represents expenditures for eating and drinking out. Food-at-home, drugs and medical supplies, and housekeeping and personal care represent convenience purchases, primarily. The apparel/home furnishings, reading, and entertainment categories represent shoppers goods and specialty items. The automotive category covers expenditures at service stations (and excludes major repair and automobile purchases). The expenditure pattern presented in the first column of Table 2 would apply, on average, to all Mission Bay households, regardless of the plan or retail concept; it represents the distribution of total household retail spending by type of goods purchased.

Next, the columns for the Illustrative Plans show the assumptions about how much of total household retail spending by category would be captured in Mission Bay. For each category, the percentage varies according to the retail concept. For example, Plan 1 shows the highest percentage of household convenience expenditures captured in Mission Bay. This is because the Plan 1 concept includes a neighborhood center with a supermarket and super-drug store. Plans 3 and 4 show higher percentages for food away from home, reflecting the potential for more restaurant/bar/cafe options in these retail concepts.

The column for percent of income spent in Mission Bay under each plan is derived by multiplying the estimated percentage of each type of expenditure expected to be spent in Mission Bay by the overall total percent of income allocated to each category. For example, in Plan 1, Mission Bay households are assumed to make about 20 percent of their expenditures for food away from home within Mission Bay. Twenty percent of the total of 4.2 percent of household income spent on food away from home means that, on average, 0.84 percent of Mission Bay household incomes would be spent on food away from home in Mission Bay. For each plan, these percent-of-income-in-Mission-Bay factors are applied to estimates of average household income to estimate average retail spending for each expenditure category in Mission Bay by resident households.

The analysis for worker spending is less complicated. Table 3 shows the assumptions for worker retail spending in Mission Bay. In general, spending during the work-day is primarily for eating out, with some occasional convenience or specialty shopping. The retail categories shown here reflect this distribution and can be converted to types of retail space supported for analysis of each retail concept.

Tables 4 and 5 present the results of the analysis of retail spending and retail space associated with Mission Bay residents and workers for each Illustrative Plan (Plan 1, Plan 3, Plan 4, Plan 5, as presented in the Choices report). Table 4 shows the amounts of total resident and worker retail spending in Mission Bay for each plan, estimated using the assumptions discussed above. Table 5 presents the amount of retail space in Mission Bay that would be supported by this spending, and shows rough estimates of how it would be distributed by type of retail space. For each plan, the detailed estimates of spending in Mission Bay by retail category are converted to estimates of space supported using assumptions about sales per square foot. These assumptions vary by type of retail space. The assumptions are shown in Appendix Table A.2.

The details for each Illustrative Plan and associated retail concept are discussed in the next section. The text refers to the estimates of Mission Bay resident and worker spending presented in Table 4 and also discusses potential retail spending by others in Mission Bay (e.g., residents and workers in nearby areas, and other visitors to the site, including other residents of the City and, possibly, tourists). Maps of each plan showing the type and location of space for each retail concept are also presented.

TABLE 3: ASSUMPTIONS ABOUT THE RETAIL SPENDING PATTERNS OF MISSION BAY WORKERS

| Percent of Spending by Type of Retail | ILLUSTRATIVE PLANS | | |
|---|---|---|---|
| | Plan 1 | Plans 3 and 4 | Plan 5 |
| Restaurant/bar/cafe | 75% | 67% | 70% |
| Convenience goods/ specialty | 12.5% | 13% | 12% |
| Shoppers goods/specialty | 12.5% | 20% | 15.5% |
| Automotive | -- | -- | 2.5% |
| TOTAL | 100% | 100% | 100% |

NOTE: The retail spending of workers is primarily that associated with the work-day (eating and drinking out, and some convenience and specialty shopping). Some Mission Bay workers would also live in Mission Bay. Their spending as part of a resident household is accounted for in separate estimates of Mission Bay resident spending. See Table 2.

SOURCE: Recht Hausrath & Associates estimates, considering the types and locations of retail activity as defined in the retail concepts.

TABLE 4: ESTIMATES OF RETAIL SPENDING IN MISSION BAY FROM RESIDENTS AND WORKERS
(Average Annual 1985 Dollars) (Continued)

| | ILLUSTRATIVE PLANS | | | |
|---|---|---|---|---|
| | Plan 1 | Plan 3 | Plan 4 | Plan 5 |
| Retail Spending Factors | | | | |
| Number of Households (1) | 10,239 | 5,076 | 8,238 | 6,356 |
| Retail Spending in Mission Bay per Household (2) | $ 4,650 | $ 3,399 | $ 3,399 | $ 4,758 |
| Total Retail Spending in Mission Bay from Residents (000) | $47,611 | $17,253 | $28,001 | $30,242 |
| Number of Office, R&D, and Wholesale/Showroom Workers (3) | 8,879 | 28,815 | 19,031 | 21,094 |
| Retail Spending in Mission Bay per Worker (4) | $ 600 | $ 900 | $ 750 | $ 850 |
| Number of Other Workers (5) | 2,003 | 1,887 | 1,746 | 2,045 |
| Retail Spending in Mission Bay per Worker (6) | $ 240 | $ 360 | $ 300 | $ 340 |
| Total Workers | 10,882 | 30,702 | 20,777 | 23,139 |
| Total Retail Spending in Mission Bay from Workers (000) | $ 5,808 | $26,613 | $14,797 | $18,625 |
| ESTIMATED TOTAL RETAIL SPENDING IN MISSION BAY FROM RESIDENTS AND WORKERS (000) | $53,419 | $43,866 | $42,798 | $48,867 |

Continued on Next Page

TABLE 4: ESTIMATES OF RETAIL SPENDING IN MISSION BAY FROM RESIDENTS AND WORKERS
(Average Annual 1985 Dollars) (Continued)

NOTES:

(1) The number of households is equal to the total number of dwelling units in each Illustrative Plan. (See Choices for Mission Bay, June 1986, p. 4-36.)

(2) Estimates of retail spending per household are based on Bureau of Labor Statistics 1982-83 Consumer Expenditure Survey data on household spending patterns and estimates by RHA of the proportion of spending that would occur in Mission Bay. (See Table 2.) This proportion was assumed to vary according to the retail concept specified for each Illustrative Plan. Estimates of average household income were prepared by RHA for these purposes. (See Appendix.)

(3) These preliminary employment estimates are based on the amount of space by type associated with each Illustrative Plan. (See Choices report p. 4-36.) The employment density assumptions (gross square feet per employee) are presented in Appendix Table A.1.

(4) Estimates of retail spending per worker were prepared by RHA, using as background the 1974 SPUR survey and analysis of downtown retail expenditures of downtown office workers. (See SPUR, Impact of Intensive High Rise Development in San Francisco, Part 1, Detailed Findings, pp. 252-261.) The estimates were assumed to vary according to the retail concept specified for each Illustrative Plan. See Table 3 for detail on the worker spending assumptions.

(5) These preliminary employment estimates for all other workers are based on the amount of space by type associated with each Illustrative Plan. (See Choices report p. 4-36.) The uses included are: hotel, service/industrial, maritime, and community facilities. In addition, employment was estimated for building maintenance/security workers in both housing and commercial uses, as well as for workers associated with the train station, open space, and structured parking uses. The factors for estimating employment for these other uses are presented in Appendix Table A.1.

(6) Retail spending in Mission Bay for other workers was assumed to be about 40 percent of the average amount spent by office, R&D, and wholesale/showroom workers. See Note 4.

SOURCE: Recht Hausrath & Associates

TABLE 5: RETAIL SPACE SUPPORTED BY RETAIL SPENDING OF RESIDENTS AND WORKERS IN MISSION BAY (1985 Dollars)

| | ILLUSTRATIVE PLANS | | | |
|---|---|---|---|---|
| | Plan 1 | Plan 3 | Plan 4 | Plan 5 |
| Total Retail Spending in Mission Bay from Residents and Workers (from Table 4) | \$53.4 million | \$43.9 million | \$42.8 million | \$48.9 million |
| Retail Space Supported (1) | 211,000 gsf | 189,000 gsf | 184,000 gsf | 219,000 gsf |
| Breakdown of Total by Type of Retail Space (gsf): | | | | |
| Neighborhood Center | | | | |
| Supermarket | 45,000 | -- | -- | -- |
| Super-drug | 25,000 | -- | -- | -- |
| Restaurant/Bar/Cafe | 36,000 | 86,000 | 62,000 | 64,000 |
| Convenience Goods/Specialty Stores and Larger Outlets (2) | 64,000 | 44,000 | 58,000 | 53,000 |
| Shoppers Goods/Specialty Stores and Larger Outlets (3) | 41,000 | 59,000 | 64,000 | 80,000 |
| Automotive (4) | -- | -- | -- | 22,000 |

Continued

TABLE 5: RETAIL SPACE SUPPORTED BY RETAIL SPENDING OF RESIDENTS AND WORKERS IN MISSION BAY (1985 Dollars) (Continued)

NOTES: The estimates of retail spending and retail space by expenditure category/type of space are order-of-magnitude estimates to provide some guidance for planning purposes. The match between spending category and type of space is approximate. There is overlap between the convenience and shoppers goods categories and between the supermarket/super-drug and convenience categories. The detailed notes below provide some examples of the types of retail tenants included in each group. The extent to which the retail development would be characterized by smaller specialty shops or larger stores depends on the retail concept associated with each plan. This is discussed in the text.

(1) The estimates of retail space supported by retail spending are derived from estimates of spending by expenditure category (food away from home, groceries and beverages at home, drugs/housekeeping/personal care, apparel/home furnishings, reading/entertainment, and automotive) using average sales per square foot factors. See Appendix Table A.2 for the detailed assumptions on sales per square foot for different types of retail space.

(2) The convenience goods/specialty stores category includes small grocery and liquor stores (not full-service supermarkets); specialty food stores (delicatessen, bakery, ice cream/candy, health food, butcher); drug and cosmetics stores; small appliance, housewares, hardware, and housekeeping supplies stores; stationery and card stores; and personal services (shoe repair, dry cleaner/laundry, hair-cutting salon).

(3) The shoppers goods/specialty stores category includes clothing and shoe stores; large furniture, appliance, home improvement, hardware, building materials and garden supply outlets; book stores; florists; sporting goods stores; audio/video equipment stores; video rental shops; record and tape stores; jewelry stores; health clubs; movie theatres; and other amusements.

(4) The automotive category includes service station and car wash facilities.

SOURCE: Recht Hausrath & Associates

## IV. Evaluation of Illustrative Plans

### Illustrative Plan 1

Retail Concept. The retail concept for this Illustrative Plan includes the only neighborhood center with a supermarket among the four concepts analyzed. This concept also identifies a super-drug outlet developed in conjunction with the supermarket. The balance of the retail activity in this plan would be ground floor retail along a neighborhood commercial street spanning the large residential area south of the Channel. The types of retail activity along this street could include convenience stores and specialty shops, as well as smaller restaurants/bars or cafes, and neighborhood services. This concept also includes retail associated with the higher density housing north of the Channel. The orientation here would also be towards convenience shopping and eating and drinking out, with perhaps more emphasis on eating establishments because of the potential for attracting workers from both nearby Mission Bay areas and adjacent South of Market areas.

Retail Spending. Illustrative Plan 1 represents about 10,000 households and 10,000 workers. Potential retail spending in Mission Bay from residents of about $48 million accounts for 90 percent of the total potential Mission Bay retail spending estimated for this plan. (See Table 4.) Not only is there a large residential community in this plan, but also the share of their retail spending estimated for Mission Bay is large as a consequence of the inclusion of a supermarket and super-drug in the retail concept. Under this plan, Mission Bay households could be expected to make most of their convenience retail expenditures (e.g., groceries, beverages, drugs, personal care and housekeeping supplies) at the supermarket/super-drug or along the neighborhood commercial street.

On the other hand, a relatively small number of workers (compared to the other plans) combines with the lowest average Mission Bay spending per worker to minimize the contribution from workers under this plan. The

Housing - Higher Density

Housing - Lower Density

Open Space

Secondary Office

R&D/Service Industrial

Retail (Local Serving)

Retail (Large Scale)

Retail (Visitor Serving)

Wholesale Showroom

R&D

Community Facilities

Muni-Metro

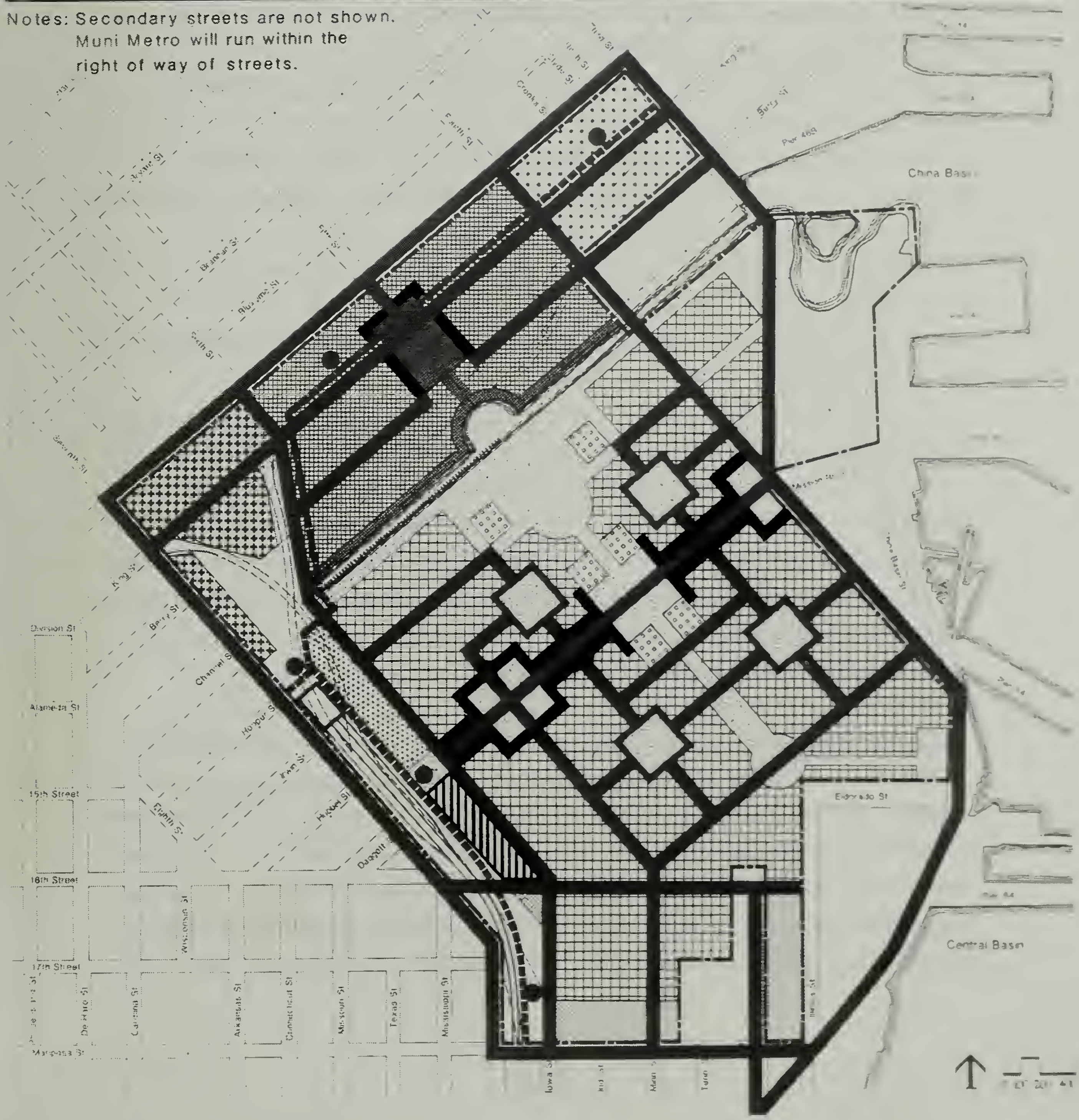
Muni-Metro Station

Illustrative Plan 1 **Grid A**

# Mission Bay San Francisco

San Francisco Department of City Planning

Notes: Secondary streets are not shown.
Muni Metro will run within the right of way of streets.



relatively lower average spending per worker is explained by the fact that most of the retail space is located some distance across the Channel from the Mission Bay office and wholesale/showroom buildings and thus is primarily oriented towards the large residential community.

The retail concept in this plan is likely to attract convenience spending from residents of nearby areas. This could include residents from existing neighborhoods (such as Potrero Hill and South of Market) as well as future residents in the housing planned for South Beach, Rincon Hill and Yerba Buena Gardens. The magnitude of such spending would depend on the extent that convenience shopping facilities are added in nearby areas in the future and on the amount and types of goods offered in those facilities as compared to the stores in Mission Bay. Since the spending of the large number of Mission Bay households in this plan is likely to be large enough to support a neighborhood center without outside spending, such a center in Mission Bay could become the main center for the larger area. If so, the additional spending of nearby residents would increase the size of the neighborhood center that could be developed in Mission Bay.

Retail Space. Table 5 shows the estimate of retail space supported by the $53 million of retail spending from Mission Bay residents and workers in Illustrative Plan 1. This spending supports about 211,000 sq. ft. of retail space. It is estimated that the convenience spending of residents in nearby areas could potentially support additional space of around 35,000 sq. ft. In total, retail space for this plan could range from 200,000 to 250,000 sq. ft.

The total amount of space estimated for this plan could include about 70,000 - 100,000 sq. ft. in a neighborhood center with a supermarket and super-drug. Most of the remaining space could be along the neighborhood commercial street and could include smaller convenience and food stores, housewares/hardware store, dress shop, bookstore, florist, card shop, restaurant/bars/cafes and take-out establishments. Because of the neighborhood orientation of the retail concept in this plan, the

spending supports a relatively small amount of space of the shoppers goods/specialty type. Most of this space would probably be in smaller specialty stores such as those selling apparel, smaller home furnishings/appliances, home entertainment systems and other non-convenience items. The plan also results in relatively small amounts of restaurant/bar/cafe space. Without a special orientation in this direction (either to workers or visitors), this concept captures a relatively small amount of residents' spending and only a moderate amount of workers' spending on food away from home. The spending in Mission Bay would support small cafes and take-out establishments. Without a strong draw within Mission Bay, there are numerous other competing locales in San Francisco (including nearby South of Market and downtown) which would attract most of the food-away-from-home expenditures of the Mission Bay households in Illustrative Plan 1.

Illustrative Plan 3

Retail Concept. The retail concept for Illustrative Plan 3 includes several different types of retail activity. A large free-standing facility is located at the southern end of the site, east of Third Street. This retail store or stores is adjacent to housing, office, and R&D space and is near the existing Esprit outlet, which could be a prototype for the type of store envisioned in this concept. A retail node oriented towards this plan's residential neighborhood is centered south of the Channel and could include small grocery and liquor stores, a few eating establishments, and other convenience shops. A similar type of convenience retail is located north of the Channel along the ground floors of the office block. This activity would be oriented more towards the day-time worker population, and could include more specialty stores and restaurants/bars/cafes. The retail concept with Plan 3 also includes a potential destination for people besides Mission Bay residents and workers. This is retail space focused on the open space amenities of the plan (the open space crescent south of the Channel and

Housing Higher Density

Housing, Lower Density

Open Space

Secondary Office

R&D

Retail (Local Serving)

Retail (Large Scale)

Retail (Visitor Serving)

Maritime

Hotel

Community Facilities

Muni · Metro

Muni · Metro Station

Illustrative Plan 3 **Grid B**

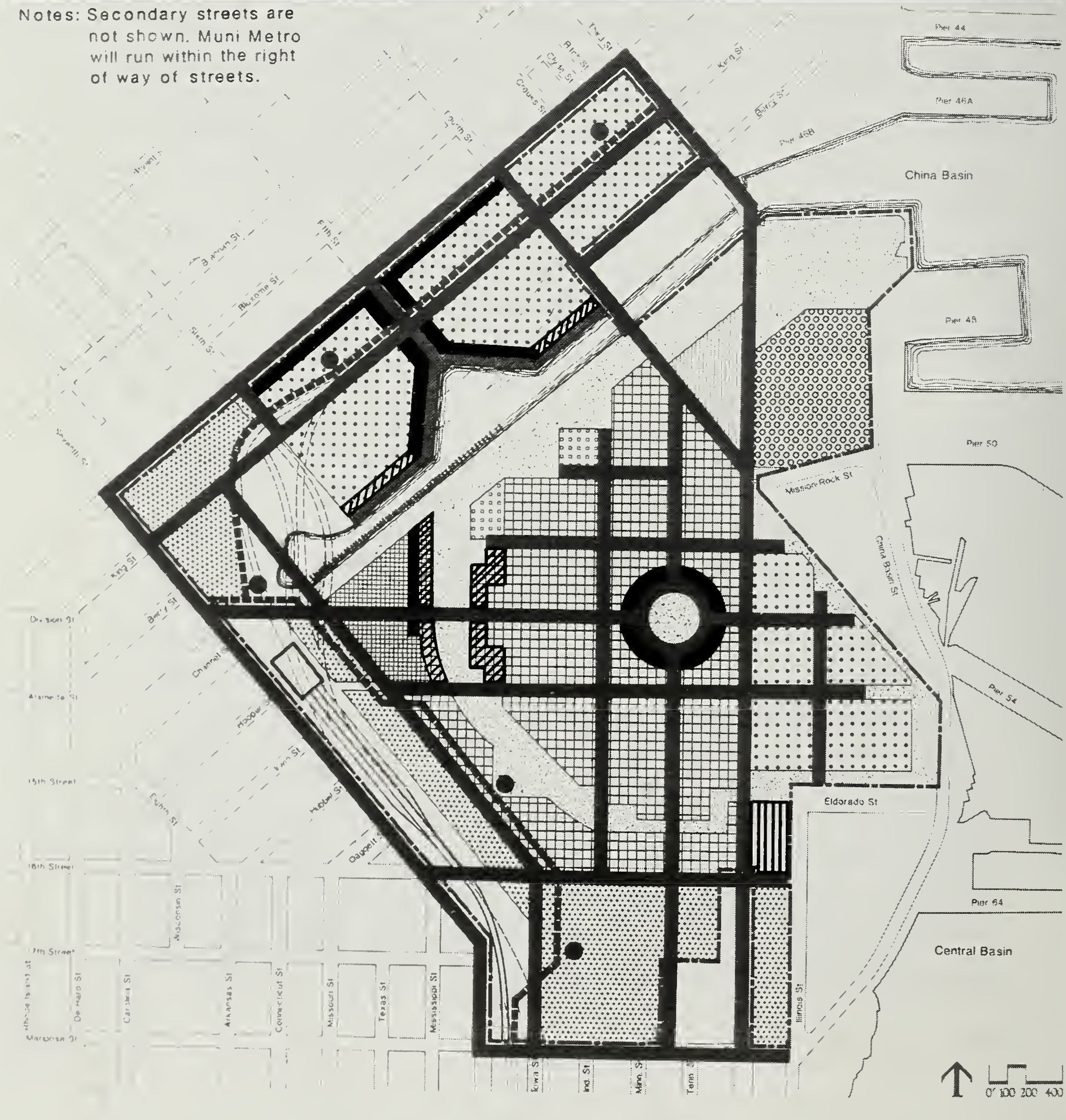
# Mission Bay San Francisco

San Francisco

Department of City Planning

KwanHenmi Architects
Philip Williams & Associates
McGuire & Company

Notes: Secondary streets are not shown. Muni Metro will run within the right of way of streets.



the Channel itself). Retail oriented to attract spending from outside Mission Bay would be defined to include primarily restaurants/bars/cafes and specialty shops. These retail areas could be considered to be focal points of the plan, with special features in terms of design and urban quality, and the particular configuration of restaurants and shops, that could establish them as attractive destinations.

Retail Spending. Illustrative Plan 3 accommodates about 5,000 households and 30,000 workers. (See Table 4.) The relatively small number of households contribute about 40 percent of the total estimated retail spending in Mission Bay from residents and workers. This plan accommodates the largest number of workers, compared to the others analyzed, and the orientation of much of the retail activity to the workers results in the highest average spending per worker in this plan. Mission Bay workers would spend about $27 million in Mission Bay retail space. Because this concept does not include a supermarket, much of the expenditures of Mission Bay residents for groceries, beverages, housekeeping and personal care supplies are assumed to occur elsewhere. It is possible that a large market could be developed to serve the growing South of Market/Mission Bay residential population as part of the Yerba Buena or South Beach developments.

The large, free-standing facility in this plan is assumed to be a shoppers goods-type store (e.g. apparel, housewares, home furnishings, building materials/garden supplies, etc.). Mission Bay residents would presumably do some shopping there; workers would also, especially for more portable goods such as apparel, housewares, sporting goods, or home entertainment items. The main support for this type of retail facility could not be expected to come from the spending of Mission Bay residents and workers, however. The success of such a facility would depend on the ability of retail tenants to attract spending from a larger market area. It is expected that such a facility in Mission Bay could attract shoppers from the larger area given its central location and the accessibility and visibility of the site identified in this plan. The

amount of such outside spending that could be captured in Mission Bay is difficult to estimate, however, and is somewhat dependent on the extent to which similar types of tenants might locate in nearby areas, particularly in the area between Mission Bay and Showplace Square.

The specialty shopping and restaurants/bars/cafes focused on the open space amenities of this plan would attract the spending of residents and workers in Mission Bay, the spending of others from outside the area (referred to as visitors to Mission Bay), and the spending of those staying at the hotel included in this plan. A high level of amenities and an attractive design will be particularly important in attracting outside spending by making the retail development serve as a destination. While this concept is likely to be successful, it may be difficult to attract substantial spending from outside the area because of other existing and planned retail developments in the vicinity that could compete for the same spending (including retail in South Beach, Yerba Buena Gardens, Hills Plaza, and potentially the Ferry Building). The estimates for Mission Bay show moderate amounts of this type of spending, reflecting the strength of competitive locations.

Retail Space. Total Mission Bay retail spending of about $44 million from residents and workers supports about 189,000 sq. ft. of retail space in Plan 3. (See Table 5.) It is estimated that additional space of about 70,000 sq. ft. could be supported by spending from the larger market area. Overall, retail space in Mission Bay under this plan could range from 200,000 to 300,000 sq. ft.

The largest amount of space is of the restaurant/bar/cafe-type. It is assumed that the high-amenity level of the visitor-oriented eating establishments attracts a higher proportion of the residents spending for food away from home than in Plan 1, for example. Moreover, retail space developed as part of the office complexes north of the Channel and especially that fronting on the Channel would be likely to include a

predominance of eating establishments designed to attract the Mission Bay worker population and other workers as well. The resident and worker spending in this plan supports a relatively small amount of convenience space. Local convenience shopping would be done in Mission Bay, but residents would go elsewhere for their major groceries and housekeeping purchases. Specialty stores (for both convenience and shoppers goods) in destination nodes could do well under this plan, drawing on the worker population as well as on residents and visitors. Some of the space in the shoppers goods/specialty stores category in Table 5 could be attributed to the large, free-standing store included in this concept. The spending of Mission Bay residents and workers alone would not be enough to support the entire facility envisioned here.

### Illustrative Plan 4

Retail Concept. The retail concept for Illustrative Plan 4 is very similar to that for Plan 3, so the description is abbreviated here. The variations are in the locations and amounts of retail space. The large, free-standing store in Plan 4 is located on the western edge of the Mission Bay site, near the proposed train station and Muni-Metro stops. The residential neighborhood south of the Channel focuses on the same retail node as in Plan 3, and similar visitor-oriented development is located along the open space crescent south of the Channel. North of the Channel, there is more limited retail development as part of the Townsend Street office blocks. There is no intensive retail development envisioned for the housing area fronting on the Channel.

Retail Spending. Illustrative Plan 4 represents about 8,000 households and 20,000 workers. (See Table 4.) Residents contribute about 65 percent of the estimated total retail spending from residents and workers. The average retail spending per household is assumed to be the

Housing Higher Density

Housing Lower Density

Open Space

Secondary Office

R&D

Retail (Local Serving)

Retail (Large Scale)

Retail (Visitor Serving)

Maritime

Hotel

Community Facilities

Muni Metro

Muni-Metro Station

Illustrative Plan 4 **Grid B**

# Mission Bay San Francisco

San Francisco Department of City Planning

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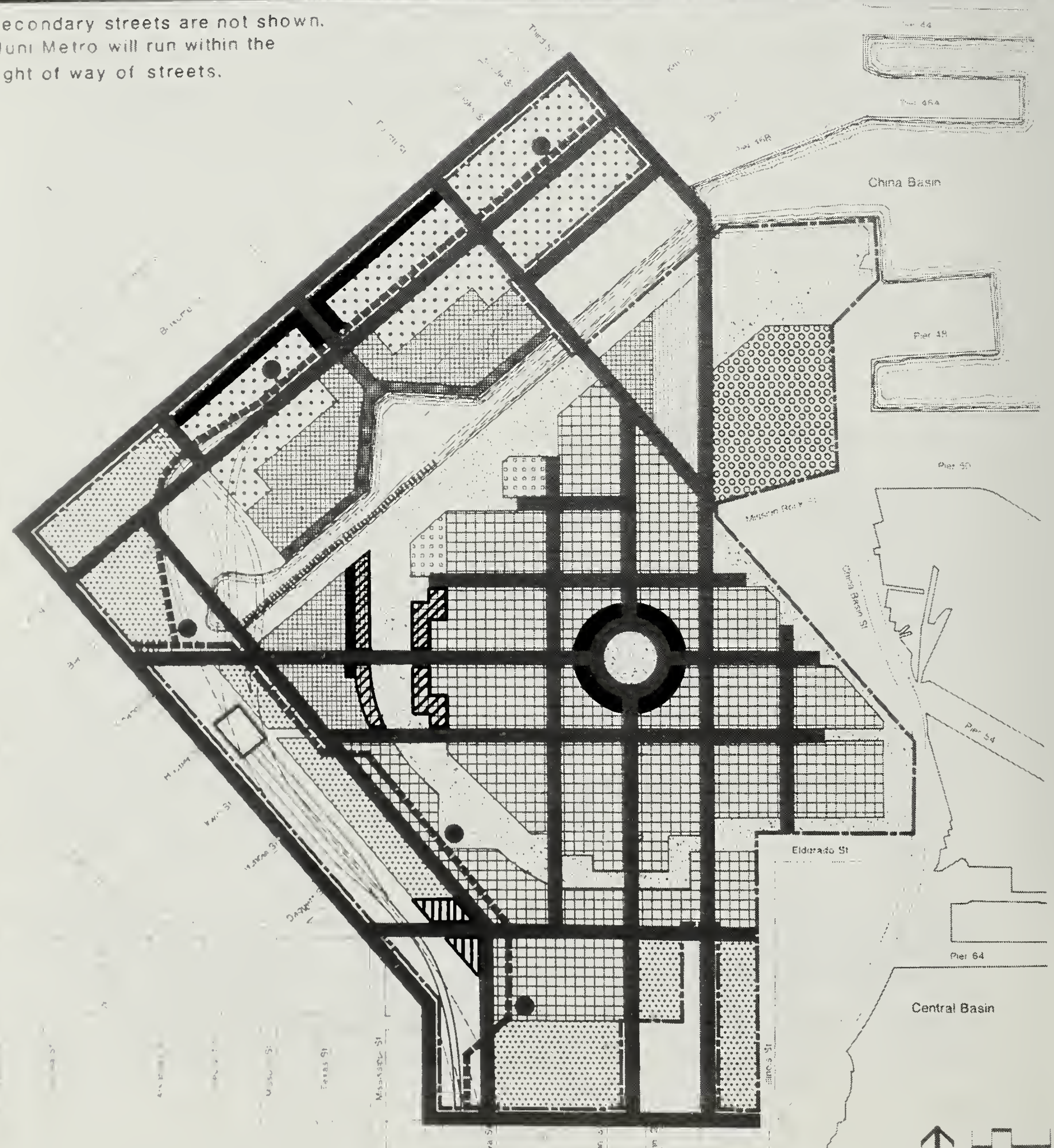

same as in Plan 3; in both plans, Mission Bay households would have similar types of retail choices on-site. The difference between the two in retail spending from residents is due solely to the larger number of households in Plan 4. The retail spending from workers is lower in Plan 4 compared to Plan 3 because of differences in two factors. First, there are fewer workers in Plan 4. Second, the average spending per worker is somewhat lower in Plan 4. This reflects the difference in the retail concept north of the Channel. While the Townsend Street retail in Plan 4 is clearly oriented towards the worker population, the concept does not offer the same level of attraction provided in the high-amenity retail development along the north bank of the Channel seen in Plan 3. Consequently, although total retail spending from Mission Bay residents and workers is about the same in Plans 3 and 4 (about $43 million), the sources of that spending are quite different: in Plan 3, predominantly the larger number of workers (in combination with the character and orientation of the development which affects the propensity of workers to spend their retail dollars in the Mission Bay); and, in Plan 4, the relatively larger number of households (although the spending patterns are similar). The differences in sources of spending have implications for the types of space supported.

The retail concept in this plan would also capture spending from the larger market area. The specialty shopping and restaurants/bars/cafes focused on the open space amenities and the larger, free-standing retail store would be the facilities that attract the outside spending, as described earlier for Plan 3. Compared to Plan 3, this Illustrative Plan would attract slightly less outside spending because there is less emphasis on high-amenity retail development along the north bank of the Channel.

Retail Space. As shown in Table 5, total retail spending from residents and workers supports about 184,000 sq. ft. of retail space in Plan 4, about the same amount as in Plan 3. Additional space of around 60,000 sq. ft. could be supported by the spending of others from outside Mission Bay. Under this plan, total retail space ranging from 200,000 to 275,000 sq. ft. could be supported.

Compared to Plan 3, there would be a relatively smaller amount of restaurant/bar/cafe space, but the amount is substantial when compared across all of the plans. This is attributable to both worker spending and the attractions of the visitor- oriented specialty/restaurant complex south of the Channel. With its orientation along Townsend Street, the retail development along the northern edge of the site in this plan would also attract nearby South of Market workers, enhancing the potential for eating establishments here. Although resident spending on groceries and housekeeping supplies is lower (as in Plan 4) due to the absence of a neighborhood center within Mission Bay, the amount of convenience/specialty space supported is large because of the number of households. This amount of space could include a moderate-sized market within the central retail node. Support for specialty stores and shoppers goods is strong. As in Plan 3, part of a larger free-standing facility could be expected to be supported by Mission Bay spending, but the store would draw from the larger area as well. The location of the facility in this concept, adjacent to transit connections and the nearby North Potrero area, establishes a basis for a store with broad appeal, perhaps modelled on the home furnishings retail outlets developing around nearby Showplace Square.

## Illustrative Plan 5

Retail Concept. There are three major elements of the retail concept associated with Plan 5. Its primary distinction from the other concepts is the development of the western frontage of Third Street as a major shopping street from just south of the Channel to 16th Street. The orientation of this street would be to automobile traffic, with individual stores and ample parking provided. The stores would be of the type and size to attract shoppers from a larger trade area than the Mission Bay area. This retail concept also includes a neighborhood commercial street running through the residential area south of the Channel as in Plan 1. Ground floor retail/restaurant in the office

Housing Higher Density

Housing Lower Density

Open Space

Secondary Office

R&D

Retail (Local Serving)

Retail (Large Scale)

Retail (Visitor Serving)

Community Facilities

Muni Metro

Muni Metro Station

Illustrative Plan 5 **Grid C**

# Mission Bay San Francisco

San Francisco Department of City Planning

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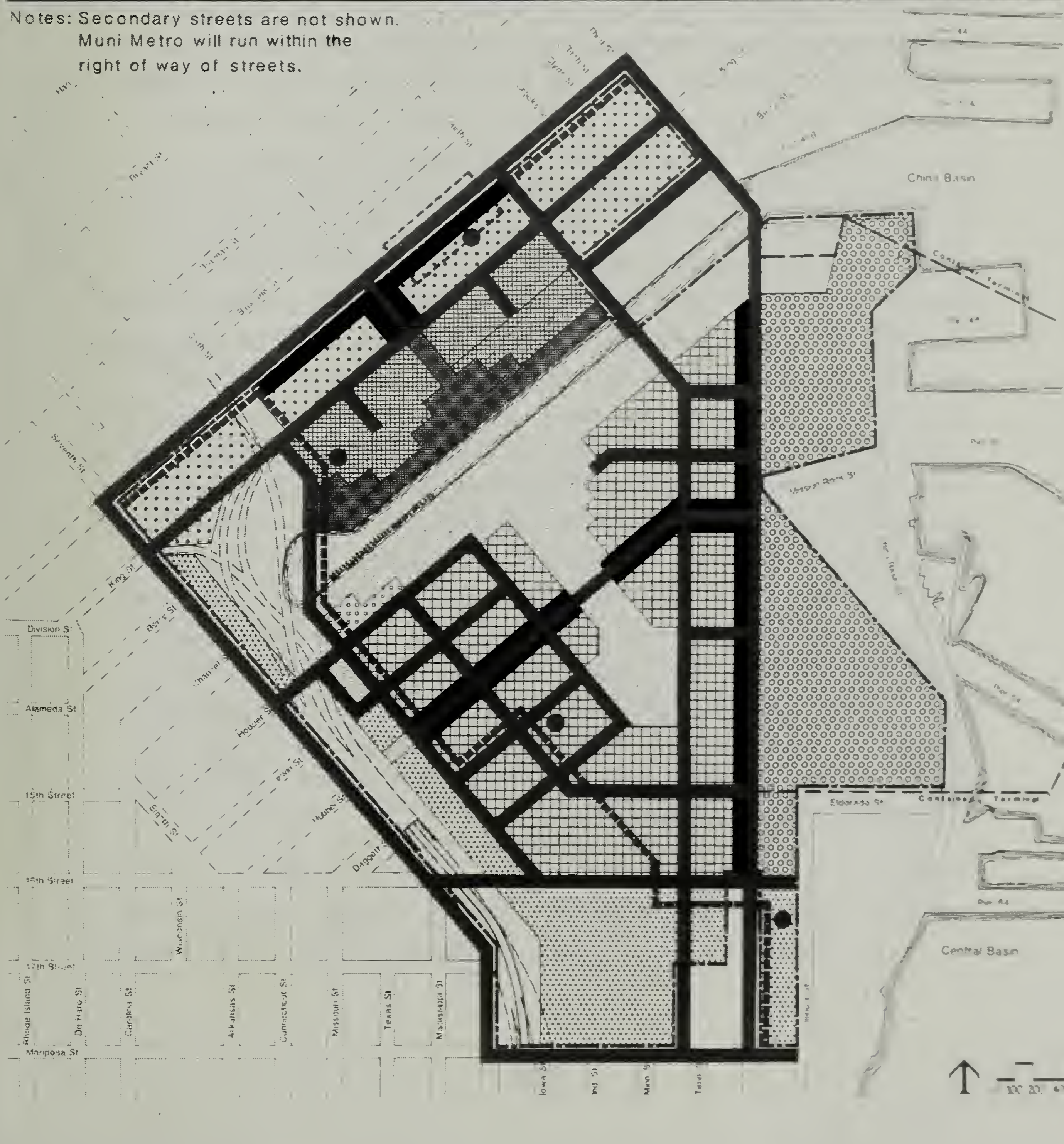

blocks along Townsend Street is also envisioned, as in Plans 3 and 4. Both the neighborhood commercial street and the Townsend Street retail development would be primarily oriented towards convenience shopping and eating-and-drinking-out activity, the one primarily for residents and the other primarily for workers.

Retail Spending. Full development of Plan 5 would result in about 6,000 households and about 23,000 workers in Mission Bay. (See Table 4.) About 60 percent of the estimated total retail spending in Mission Bay from residents and workers would be attributed to residents. Although the number of housing units is relatively low compared to the other plans, the average retail spending per household is highest with this retail concept. This is because of the potential variety of retail options that could be provided, with both a neighborhood commercial street and a major shopping street. Although the residents are not assumed to do all of their shopping within Mission Bay in this plan, if a variety of larger stores were provided, residents would be expected to make expenditures within Mission Bay that they would not have the opportunity to make under the other plans. A similar rationale applies to the relatively higher estimate of average spending per worker. As in Plans 3 and 4, there is no neighborhood center with a supermarket in this concept, so most of the grocery expenditures of Mission Bay households are assumed to occur elsewhere. The types of stores developed along the Third Street shopping street could include larger housewares or discount drug stores which would be expected to attract a higher proportion of Mission Bay residents spending on housekeeping and personal care items than would the primarily smaller convenience store concepts of Plans 3 and 4. The proportion would not be as high as in Plan 1, however, which includes the neighborhood shopping center with a supermarket/super-drug combination.

There would be retail spending in Mission Bay from the larger market area. This would be focused on the major shopping street, which would be developed to serve Mission Bay and the neighborhoods around it in the southern part of the City. As with the larger-scale shoppers goods store concept discussed under Plan 3 (and also included in Plan 4), the primary support for a major shopping street cannot be expected to come from the spending of Mission Bay residents and workers. While there would be outside spending, it is difficult to estimate the amount. Most likely, retail on a major street such as Third Street, would evolve over time. The amount of retail activity will depend on the size of the population in the southern parts of the City around Mission Bay.

Retail Space. Total retail spending of Mission Bay residents and workers of about $49 million would support approximately 219,000 sq. ft. of retail space. (See Table 5.) Spending from the larger market area would support additional space, perhaps around 75,000 sq. ft. In total, this would indicate support for retail space ranging from 200,000 to 350,000 sq. ft.

This is the largest amount of retail space supported by residents, workers, and the larger market area among the four plans analyzed. (Plan 1 shows more retail spending from residents and workers but somewhat less retail space from these groups because of the large amount of spending for groceries and beverages at home in that plan and the relatively high sales per square foot obtained in a supermarket. Compared to the concept in Plan 5, the concept in Plan 1 accommodates more sales in a given amount of space.) Much of the retail space in Plan 5 would be in the shoppers goods/specialty category. This estimate would include smaller specialty shops along the neighborhood commercial street as well as larger stores along Third Street. Third Street could also accommodate larger-scale convenience outlets (possibly a super-market, or super-drug), movie theatres, and restaurants or larger-scale take-out establishments. Resident and worker spending alone would not support full retail development of the Third Street frontage as a

major shopping street. As noted above, this concept would require the support of population from the larger market area around Mission Bay. Most likely the development of retail activity along a significant portion of Third Street would evolve over a long time period.

Plan 5 is also the only concept to accommodate automotive space. It was assumed that a service station and/or car wash would be compatible with the retail orientation of Third Street. A service station in this area could be expected to capture a relatively high percentage of both residents' and workers' expenditures for gasoline, oil, and minor servicing.

Moderate amounts of convenience/specialty and restaurant/bar space would be supported. The neighborhood commercial street might not be as intensely developed as the concept in Plan 1 because of the smaller number of households to support it in the immediate Mission Bay neighborhood. The configuration of the retail activity north of the Channel along Townsend Street would be similar to that in Plans 3 and 4: primarily serving the day-time worker population (both Mission Bay and South of Market) with restaurants, cafes, and take-out establishments, as well as some convenience stores and smaller specialty shops.

## V. Summary of Retail Space Supported in Mission Bay

Table 6 presents order-of-magnitude estimates for the range of total retail space that could be supported at Mission Bay, under the assumptions made for this study. These estimates include space supported by the spending of both Mission Bay residents and workers, as well as by spending from the population in a larger market area. The range for each plan primarily reflects uncertainty related to the amount of outside spending actually captured in Mission Bay. These ranges should not be considered as either the high-end or low-end limits for the

TABLE 6: SUMMARY OF RETAIL SPACE SUPPORTED IN MISSION BAY (gsf)

| | ILLUSTRATIVE PLANS | | | |
|---|---|---|---|---|
| | Plan 1 | Plan 3 | Plan 4 | Plan 5 |
| Retail Space Supported by Spending of Residents and Workers (from Table 5) | 211,000 | 189,000 | 184,000 | 219,000 |
| Estimate of Potential Additional Retail Space Supported by Spending from Larger Market Area | ≅35,000 | ≅70,000 | ≅60,000 | ≅75,000+ |
| Range of Total Retail Space for Mission Bay Planning | 200,000-250,000 | 200,000-300,000 | 200,000-275,000 | 200,000-350,000 |

NOTE: The estimates in this table are presented solely for the purpose of Mission Bay master planning. They are order-of-magnitude estimates to provide some overall guidance for planning. They should not be considered either high- or low-end estimates. Retail development at Mission Bay will depend on the results of more in-depth market studies completed as the project evolves over time.

SOURCE: Recht Hausrath & Associates

amount of retail space that could eventually be developed at Mission Bay. More precise estimates would depend on more detailed retail marketing studies for the site. Moreover, while this study focuses on several retail concepts, there may be other options or variations on these concepts which have the potential to be developed at Mission Bay. For example, one variation on the large-scale, freestanding shoppers-goods store concept is a grouping of several such stores. This grouping (or center) could be oriented towards a particular market segment such as discount apparel and furnishings outlets, or similar types of goods such as home furnishings, appliances, hardware, and housewares stores. If this concept were successful at Mission Bay, it could add to the total retail space shown in Table 6.

It would also be possible to combine the elements of these concepts to provide the widest variety of types of retail space in Mission Bay. One potential combination could include a supermarket, smaller-scale convenience shopping areas for residents and workers, and high-amenity retail (with restaurants/bars/cafes and specialty shops), in addition to one or more larger-scale freestanding retail stores. A plan such as this would probably result in support for retail space near the higher end of the amounts discussed in this paper.

## VI. Implications for Mission Bay

The viability of retail uses within Mission Bay is a function of demand for the goods or services they provide. Their primary market is Mission Bay residents and workers. The larger market area beyond Mission Bay will also contribute to their success.

Retail uses offer many desirable characteristics in planning Mission Bay. Several of these are listed below.

- They provide necessities of urban living to residents and workers of Mission Bay, with convenient access.
- They offer centers of activity within which both commercial entertainment and cultural activities can flourish, further enriching the community's life.
- They are generally noise-tolerant, and thus can be situated on busy streets to provide buffering from noise for adjacent residential streets. Housing above retail can be set back behind an upper-level parapet which blocks noise transmission.
- They provide small business opportunities that offer room for entrepreneurial activity.
- Their workers and clientele generally travel during off-peak hours and thus do not add to commute difficulties.
- Large-scale retail uses could offer more affordable pricing through economies of scale that would help households within affordable housing, as well as others, to live within their means.

These desirable characteristics must be weighed with marketability considerations. It would be tempting from a planning perspective to place retail uses at the ground level in all commercial areas for their vitality and convenience; to have a pedestrial-oriented neighborhood shopping street bisecting the residential areas to add a focus to the community, such as 24th Street does for Noe Valley; to have retail next to selected open spaces; to have large-scale stores with discount prices; to have convenience stores at every other corner within the neighborhoods; and to have shopping strips on every street expected to have heavy traffic (such as Third, Fourth, 16th, and Owens Streets) to buffer the noise.

The implications of this report are that not all this is possible. This report concludes that from 200,000 to 350,000 square feet of retail space can be accommodated within Mission Bay, depending upon the retail concepts and locations offered (different retail locations can attract different markets) and the land use program assumed. (Further market analysis could provide more precise estimates if necessary, such as for marketing space.) This is much less retail space than would be possible within Mission Bay given the multitude of locations in which it could be placed. Clearly, no benefits are obtained from reserving land for retail uses that cannot ultimately be marketed. Thus, tradeoffs will be required. It is unlikely that Mission Bay can support the full spectrum of amounts and types of retail that could be developed on the site, i.e. an auto-oriented shopping (and buffer) strip on Third Street, a pedestrial-oriented shopping street through the interior, discount stores, retail below all commercial buildings, and retail fronting on open spaces designed for intense activity. Retail must be sufficient to serve the new community and provide additional retail options to nearby areas. It might not be much more.

The Choices for Mission Bay report of June 11, 1986, quantified about 155,000 to 245,000 square feet of retail in its Illustrative Plans. Additional retail was assumed but not quantified. Streets such as Third Street consistently had a lower housing density (38 units per acre rather than 76), in order to allow for noise buffering through retail, open space, or other means. Scattered convenience shopping was not shown in those diagrammatic plans either. This special study suggests that a moderate amount of additional retail area, beyond that in the Choices report, can be planned for in the next phase of work on Mission Bay.

APPENDIX

## ASSUMPTIONS FOR ESTIMATING RETAIL EXPENDITURES OF MISSION BAY RESIDENTS AND WORKERS

A variety of different assumptions were required for purposes of estimating retail expenditures and considering the potentials for retail space in Mission Bay in the future. These assumptions are identified below and in the tables which follow. The assumptions in this analysis for estimating such factors as employment and household income are preliminary and have been developed for the purpose of estimating retail expenditures and considering the demand for retail space. They are not the subject of this paper, and more detailed analysis of these factors alone is being done for other purposes, including the preparation of the Mission Bay EIR.

### Assumptions For Estimating Household Income of Mission Bay Residents

Estimates of average household income for Mission Bay residents were derived from estimates of housing prices and the incomes needed to pay for such housing. For purposes of this retail analysis, housing prices were assumed to average $160,000 based on the assumptions that: (1) 30 percent of the housing would be affordable units with an average price of $125,000 as specified in the Mayor's letter of October, 1984 to the Southern Pacific Land Company; and (2) the remaining 70 percent of the housing would average around $175,000 per unit. An approximate average household income of $55,000 was derived from these housing prices assuming a 10 percent interest rate, 10 percent downpayment, 30-year mortgage, and one-third of income available for mortgage payments, insurance, property taxes, and homeowners' association fees. Occupants of rental units were assumed to be no different from the occupants of ownership units in terms of average household income.

TABLE A.1: ASSUMPTIONS FOR ESTIMATING MISSION BAY EMPLOYMENT

| Employment Category | Assumption Factor | Notes |
|---|---|---|
| Office | 275 gsf per employee | Employment density factor for occupied space. Alternative vacancy assumptions can be used (e.g. 5%). |
| R&D | 3 employees per 1000 gsf | |
| Hotel | .74 employees per room | |
| Service/Industrial | 650-2000 gsf per employee | |
| Wholesale/Showroom | 947 gsf per employee | |
| Structured Parking | 1 employee per 80 spaces | Parking spaces calculated for office & R&D space as follows:<br>1 space/750-1,000 sq. ft. office<br>1 space/750-1,000 sq. ft. R&D |
| Community Facilities | 777 gsf per employee | Community facilities building space estimated as follows: 80% building coverage, 1½ story building |
| Pump Station | 3 employees at existing facility | (3 8-hour shifts) |
| Train Station | 155 employees for existing Caltrain operation | |
| Open Space | 1 employee per 10 acres | Major open space land area only (not including open space associated with other uses). Accounts for gardening and landscape maintenance, not active recreation. |
| Building Maintenance/ Security | 40 employees per 500,000 gsf | Applied to total of office, R&D, and retail space. Includes outdoor maintenance/landscaping. |
| Housing-Related | 2 employees per 50 d.u. | Accounts for management, security, and maintenance personnel. |

NOTE: These assumptions have been developed for the purpose of providing preliminary employment estimates for use in Mission Bay planning. The factors will be refined through analysis for other related purposes, including the preparation of the Mission Bay EIR.

SOURCE: Recht Hausrath & Associates

TABLE A.2: ASSUMPTIONS ABOUT SALES PER SQUARE FOOT FOR TYPES OF RETAIL SPACE

| Type of Retail Space | Sales per Square Foot (1985 dollars) |
|---|---|
| Restaurant/Bar/Cafe | $250 |
| Groceries/Beverages (Supermarket and convenience/specialty) | $300 |
| Drugs/Housekeeping/Personal Care | $225 |
| Other Shoppers Goods and Specialty Stores | $175 |
| Automotive | $200 |

SOURCE: Recht Hausrath & Associates, based on the Urban Land Institute, Dollars and Cents of Shopping Centers, 1984 and other background sources.